Labour Market Notes

Solid job gains in March

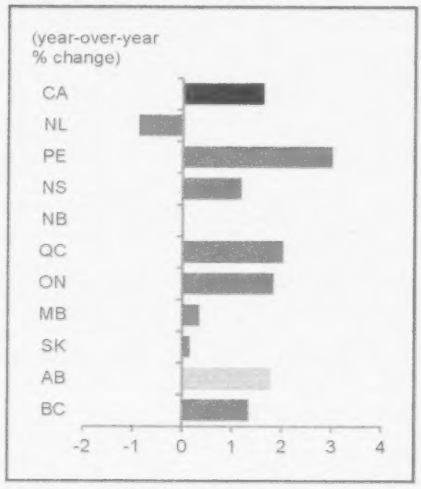
Alberta

- Employment moves higher. Following a modest gain in February, Alberta added 8,300 jobs in March. The gains over the last two months more than offset January's decline and employment is up nearly 5,000 in 2018.
- Gains in part-time. All the monthly job gains were in part-time (+8,300) positions, while full-time employment was unchanged. While full-time employment has moved lower since January, it still accounts for all the employment gains since the June 2016 low (+84,300).
- Unemployment rate continues its rapid descent. With employment gains and virtually no change in the labour force, the unemployment rate fell 0.4 percentage points to 6.3%, the lowest level since August 2015. Over the last year, the unemployment rate has declined 2.0 percentage points, the largest annual decline in more than 23 years.
- Solid year-over-year job growth. Employment increased at a healthy rate, growing by 40,500, or 1.8%, year-over-year. This was slightly higher than the Canadian rate of 1.6%.
- Self-employment takes the lead. Self-employment increased for the fourth month in a row (+11,300) to reach a new high, while gains in the public sector (+3,200) were more than offset by losses in the private sector (-6,100). With the recent strength, the growth in self-employment has accounted for slightly more than half of the job growth over the last year.
- Strength in the goods sector. Employment in the goods sector (+9,300) expanded in March, while the service sector (-1,000) pulled back. Over the last year, the employment gains have been concentrated in the goods sector (+32,600) led by the manufacturing (+15,000) and natural resources (+14,200).
- Earnings little changed. Average weekly earnings (AWE) edged 0.1% lower in January to $1,147. Compared to a year ago, earnings were up 3.1%.

Canada

- Employment gains. Canada added 32,300 jobs in March, led by Quebec (+16,000), Ontario (+10,600) and Alberta (+8,300). Over the last 12 months, Canada has added 296,200 jobs for a year-over-year gain of 1.6%, down from the recent peak of 2.3% set in December.
- Unemployment rate unchanged. The Canadian unemployment rate remained at 5.8% for the second straight month, the lowest level since 1974.
- Canadian earnings increase. Canadian AWE ticked 0.2% higher in January to $996, 3.2% higher than a year ago.

Employment Growth by Province, March 2018 vs. March 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,325,100
month-over-month change	8,300
year-over-year % change	1.8%
Alberta Unemployment Rate (UR)	6.3%
Edmonton UR**	6.7%
Calgary UR**	8.2%
Participation Rate	71.9%
Average Weekly Earnings (AWE)	$1,147.23
year-over-year % change	3.1%
Average Hourly Wage	$30.75
year-over-year % change	2.9%
Job Vacancy Rate***	1.7%

Source: Statistics Canada

* All data is from the March 2018 Labour Force Survey, except AWE which is the January 2018 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for December 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

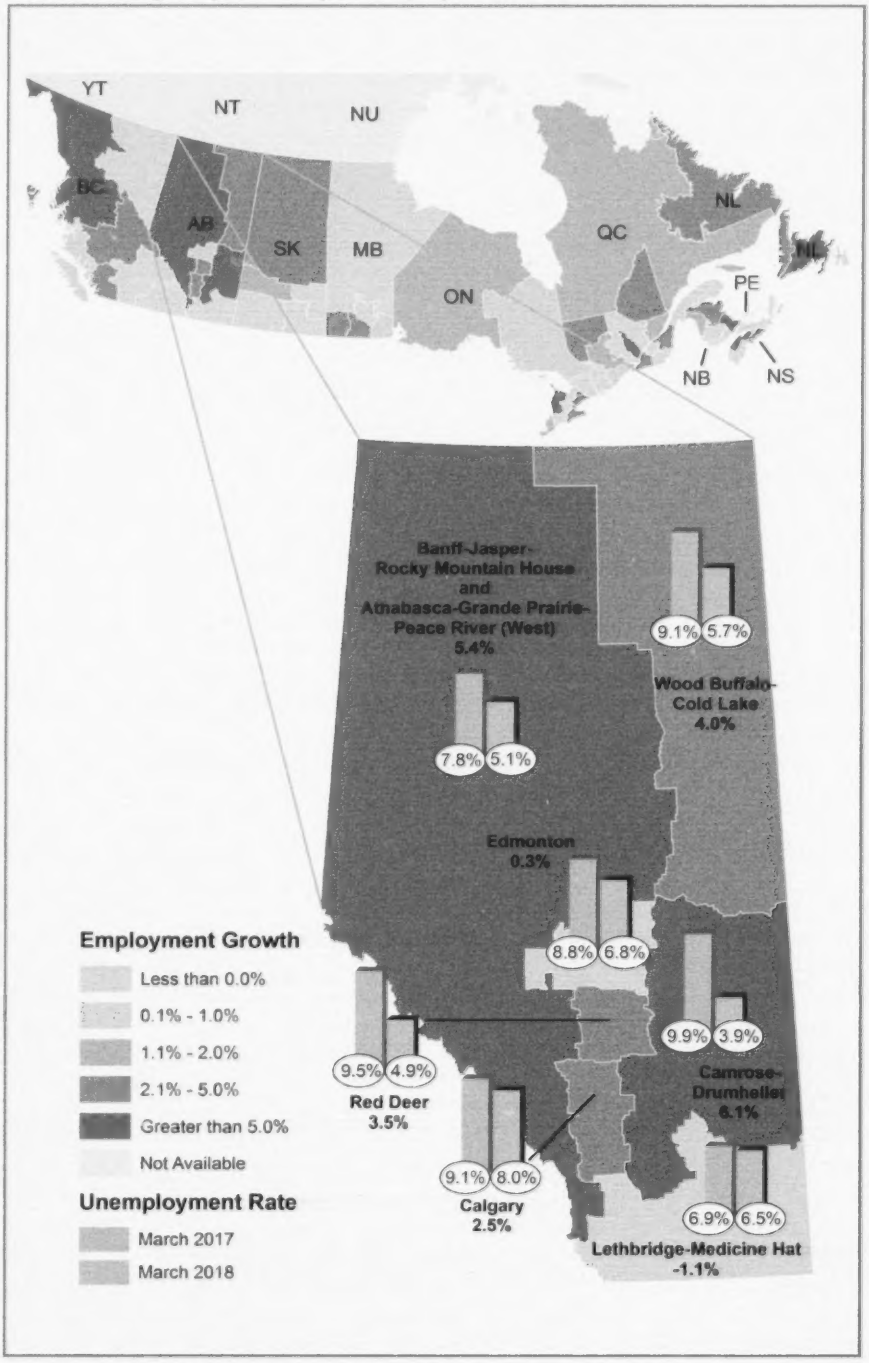
April 2018
Treasury Board and Finance
Economics and Revenue Forecasting

Regional labour market indicators

	2016	2017	2018 YTD
Alberta			
Population	1.3	0.9	1.0
Labour Force	0.6	0.7	0.1
Employment	-1.6	-1.0	-2.0
Unemployment Rate	8.1	7.8	8.8
Calgary			
Population	1.9	1.4	1.6
Labour Force	1.3	1.6	0.8
Employment	-1.7	2.7	2.5
Unemployment Rate	9.2	8.4	7.7
Edmonton			
Population	1.7	1.3	1.6
Labour Force	1.3	0.9	-0.4
Employment	-0.2	0.1	1.3
Unemployment Rate	7.4	8.1	6.8
West			
Population	0.0	-0.5	-0.3
Labour Force	-4.2	0.1	1.3
Employment	-5.3	0.5	3.5
Unemployment Rate	6.9	6.4	5.4
Lethbridge - Medicine Hat			
Population	0.0	-0.2	0.1
Labour Force	3.4	-4.4	-1.5
Employment	1.2	-3.3	-1.3
Unemployment Rate	6.9	5.7	6.7
Red Deer			
Population	1.2	0.5	0.5
Labour Force	-1.8	-0.1	-0.3
Employment	4.3	1.7	4.0
Unemployment Rate	8.6	6.9	5.3
Camrose - Drumheller			
Population	-0.2	-0.8	-0.7
Labour Force	-0.1	-0.6	-2.8
Employment	-3.4	-0.7	2.9
Unemployment Rate	7.8	8.0	4.3
Wood Buffalo - Cold Lake			
Population	0.9	-0.8	-1.7
Labour Force	-2.6	0.0	-0.3
Employment	-4.0	1.8	3.1
Unemployment Rate	9.3	7.7	6.0

* Year-to-date (YTD) is the change in the average based on 3 month moving averages

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada

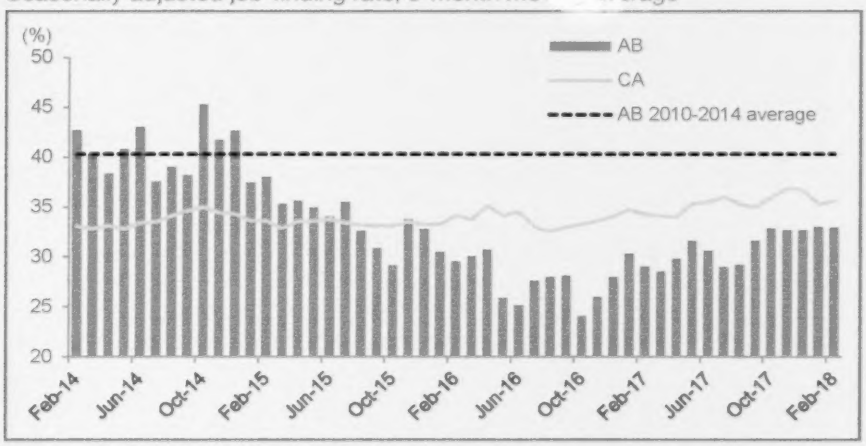
Job market improving for job seekers

Since November 2016, the number of unemployed people in Alberta has fallen by over 67,000. Over the same period, the size of the labour force has been relatively flat, suggesting more people are finding work and fewer workers are becoming unemployed. This can be measured by the job-finding and separation rates[1]. The job-finding rate is the share of unemployed who find work each month, while the separation rate is the share of workers who become unemployed.

Job-finding rate increasing

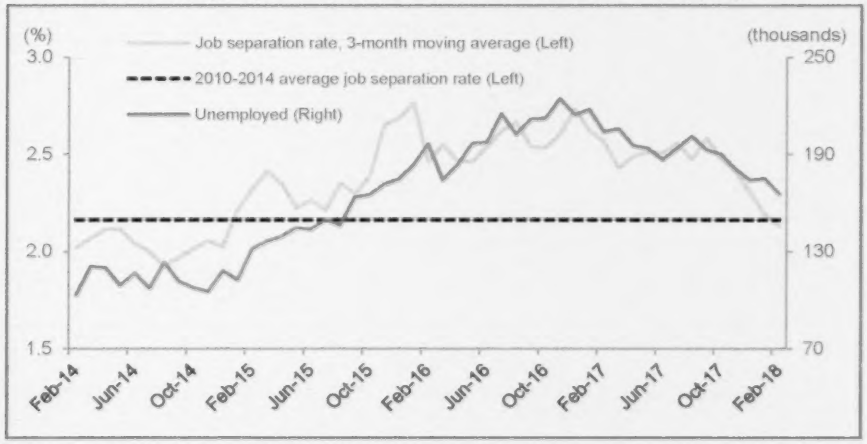
More unemployed Albertans are finding employment, demonstrated by the job finding rate, which has increased since the fall of 2016. It averaged 33% in the three months ending in February, 3.9 percentage points higher than a year ago, as nearly one in three unemployed people found work. While the job finding rate is tracking closer to the Canadian level, it remains well below the 2010-2014 average for Alberta (Chart 1).

Chart 1: Job-finding rate improving
Seasonally adjusted job-finding rate, 3-month moving average



Sources: Statistics Canada, TBF Calculations

Chart 2: Falling job separation rate and fewer unemployed
Alberta's seasonally adjusted job separation rate and total unemployed



Sources: Statistics Canada, TBF Calculations

[1] Shimer, R. 2012. "Reassessing the Ins and Outs of Unemployment." Review of Economic Dynamics 15 (2): 127–48.

Have a question or idea for Labour InSight? Send us an *email*.

Job separation rate declining

In addition to more people finding work, fewer are becoming unemployed. This is seen by the job separation rate, which has improved significantly over the last year. Just over 2% of the employed people became unemployed in February, down from 2.8% in January 2016 (Chart 2). The improvement in the Alberta separation rate has brought it below the Canadian rate (2.2%) and in line with the historical rate.

Improvements in prime aged

Over the last 12 months, the improvements in the job finding and separation rates have been driven by the prime age group (aged 25-54). Both indicators have improved for prime-age workers as more of the unemployed are finding employment and fewer are becoming unemployed. Meanwhile, young workers (aged 15-24) have seen no significant improvement in either indicator, with their job finding rate near the historical low.

Less unemployed

The number of unemployed has declined with the improving job separation and job finding rates. There were 156,500 unemployed Albertan in March 2018, down from the November 2016 peak of 224,000. However, while fewer people are losing their jobs, unemployment is still elevated and the job finding rate remains considerably lower compared to pre-recession levels.

Contact

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